Connecticut General Assembly
Before the Joint Committee on Energy and Technology

Written Testimony of SunEdison LLC
In Support of HB 5364 - An Act Concerning Virtual Net Metering
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Senator Fonfara, Representative Nardello, and members of the Joint Energy Committee, it is a privilege to be here today testifying in support of HB 5364 ("An Act Concerning Virtual Net Metering").

My name is Fred Zalcman and I am the Director of Regulatory Affairs for SunEdison, LLC, North America's largest solar energy services provider. SunEdison is a full-service solar energy provider: we finance, design, construct, operate and maintain clean and renewable solar energy facilities on behalf of our commercial, public sector and utility clients. We currently have over 100 MW of solar power plants under management across the globe, including 6 solar installations in Connecticut totaling 1.2 MW of capacity.

SunEdison strongly supports HB 5364 and the principle of virtual net metering. The bill would allow affordable housing authorities and municipal end-users the opportunity to utilize excess production from customer-sited solar energy systems to offset load at certain other facilities located within the utilities service territory.

Under the virtual net metering framework, individual customers can obtain a fractional interest in the output from a central solar facility. These participants can benefit from solar without any capital outlay and irrespective of their own site characteristics. It also takes advantages of the inherent cost savings and efficiencies associated with a single large-scale centralized plant. In essence, virtual net metering builds on Connecticut's current net metering laws by enabling a number of geographically and electrically separate customers/sites/meters to offset metered load at the full retail rate from a PV plant built, owned and operated by a third party provider. Further, the legislation directly enhances the equities associated with use of ratepayer funding to support clean distributed generation by allowing low- and moderate-income consumers to directly benefit from these resources. Some examples illustrate how virtual net metering might work:

- A municipality has a large tract of unusable land (e.g., at a landfill or waste transfer station) or under-utilized piece of property (e.g., a municipal parking lot) that would be an ideal location for a large ground-mounted solar system. However, the electrical load at the site is minimal. Virtual net metering would enable the municipality the opportunity to use the excess solar generation to

offset load at other municipal sites, saving the taxpayers significant sums and easing pressure on municipal budgets to cover rapidly rising electricity costs.

- A community college has ample roof space on a new dormitory that can support a solar system sized far in excess of what is needed to supply the dorm with electricity, particularly in the summer months when students are on recess. Virtual net metering would enable the college to take advantage of this excess generation to offset load at the college's administrative offices located across town.
- A public housing authority wishes to demonstrate the benefits of a state-of-the-art green building. As part of this effort, the housing authority would like to install a rooftop PV array. However, because each unit is separately metered to encourage conservation, individual residents cannot be fairly credited with their proportionate share of the value of the PV system output under current net metering restrictions. A virtual net metering arrangement would remedy this.

Indeed, we encourage the legislature to go somewhat further in encouraging virtual net metering. First, we would recommend that eligibility as a "beneficial account" not be limited to public housing and municipalities. Our recommendation would be to expand eligibility to encompass religious, educational or charitable corporations exempt from taxation under section 501 (c) (3) of the Internal Revenue Code. This would allow, for example, a church has an open field on which it would like to place a solar installation. The church would encourage the congregants to "subscribe" to the solar farm as part of the church's "environmental stewardship" teachings.

Second, we believe that limiting the number of "beneficial accounts" to five may be overly restrictive depending upon the size of the system and amount of net excess generation. Designation of recipients of the net credit can be significantly expanded without placing an undue administrative burden on the utility. Our recommendation would be to allow **up to twenty** beneficial accounts.

In sum, adoption and implementation of the virtual net metering concept will address a number of technical and economic barriers to customer-sited deployment of solar energy (cost, lack of access to sunlight, high transaction costs and lack of scale) and enable the greatest number of Connecticut ratepayers to take advantage of solar energy at the lowest possible cost.